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TAGS: PGOV KS
SUBJECT: CHUNG MONG-JOON ASSUMES GNP CHAIR; STAGE SET FOR
MORE FACTIONAL FRICTION

REF: A. 08SEOUL0062 (CHUNG MONG-JOON)
 1B. SEOUL 0653 (INSTITUTIONALIZING THE OPPOSITION)
 1C. SEOUL 1420 (CABINET RESHUFFLE)

Classified By: POL Counselor Dorothy A. Delahanty. Reasons 1.4 (b), (d)

11. (C) Summary: Chung Mong-joon assumed the chair of the Grand National Party (GNP) on September 7 after the former chair, Park Hee-tae, resigned to run for an open seat in the October 28 by-elections. Chung, a six-term National Assembly Member, was an independent until joining the GNP in 2007, and his rise to the party's highest position is indicative of his influence and aspirations to run in the 2012 presidential election. From his new platform, Chung, who supported President Lee Myung-bak in the 2007 election, will compete with GNP presidential aspirant Park Geun-hye, among others, for influence in the party. With the opposition Democratic Party (DP) yet to find its footing after being trounced in the 2007 presidential election and 2008 National Assembly elections, for the foreseeable future, the most consequential political debates will unfold within the GNP. End Summary.

Chung Assumes GNP Chair

12. (SBU) Chung Mong-joon assumed the chair of the Grand National Party (GNP) on September 7 after the former chair, Park Hee-tae, resigned to run for an open seat in Yangsan in the October 28 by-elections. Chung, as runner-up to Park in the July 2008 race for chair, per party regulations, will fill the remainder of Park's two-year term, unless the party opts to hold an earlier convention.

13. (C) Chung, head of the Korea-U.S. Parliamentary Friendship Association, has been supportive of the U.S.-ROK alliance. In January 2008, then President-elect Lee Myung-bak entrusted Chung with leading the Presidential Transition Committee delegation to Washington (Ref A). Chung has publicly expressed his gratitude to the U.S. for its role in the Korean War and tells the story of being born in Pusan in 1951 under the protection of the U.S. military against the advance of North Korean forces.

14. (SBU) Chung, a six-term National Assembly Member, was first elected in 1988 and represents a district in Ulsan. He was an independent until joining the GNP in 2007. Chung is the sixth son of Hyundai founder Chung Ju-yung and is the largest shareholder of Hyundai Heavy Industries. According to Forbes Magazine, Chung is the third wealthiest person in Korea with an estimated net worth of USD 1.3 billion.

Chung's Embrace of the Right

15. (C) Chung ran for president as an independent in 2002 but dropped out of the race to support Roh Moo-hyun in a close race against the GNP's Lee Hoi-chang. Despite withdrawing his endorsement of Roh hours before the election, it is widely believed that his support in the run up to the election gave Roh his unexpected narrow margin of victory over Lee Hoi-chang. In an August 11 meeting with the Political Minister-Counselor, Chung said he regretted helping Roh make it to the Blue House. Chung said he has since concluded that the left wing of Korean politics, represented by former Presidents Kim Dae-jung and Roh Moo-hyun, believed the ROK was an illegitimate state and that the DPRK had acted nobly in expelling the Japanese from the peninsula and preserving Korea's heritage. Chung said he once heard Roh say, "South Korea is a country where justice failed and opportunity flourished."

Chung's Affect on Balance of Power within the GNP

16. (C) As party chair, Chung will play an important role in the party's nomination of candidates for the important June 2010 regional elections for governors, mayors, and local legislatures. Observers expect Chung to be a more active and influential party chair than the largely inconsequential Park Hee-tae, who was elected party chair as a concession after having been denied a nomination to run in the April 2008 National Assembly elections.

17. (C) Chung's leadership will likely benefit the dominant pro-Lee Myung-bak faction within the GNP at the expense of the pro-Park Geun-hye group. Given that Chung has all but announced his intention to run in the 2012 presidential race and given speculation that he would have President Lee's support (Ref A), a rivalry with Park Geun-hye, Chung's primary school classmate, is certain. Nevertheless, Chung is not personally popular in the party, which he only joined two years ago. And, in conservative circles, there is lingering resentment over Chung's role in helping Roh Moo-hyun eke out a narrow win over Lee Hoi-chang in 2002. So, controlling the party will be a test of Chung's political skills.

State of Play in the National Assembly

18. (C) The opposition DP's success in blocking and delaying the GNP's agenda in the National Assembly notwithstanding, the GNP controls a commanding majority of seats. While the DP's success was due in part to the value the Korean public places on consensus (Ref B), the DP also benefited from former GNP chair Park Hee-tae's weak leadership and the lack of coordination between the GNP and the Blue House. But with Chung's strong leadership and the Blue House's intent, signaled in the recent cabinet reshuffle (Ref C), to coordinate more closely with the National Assembly, the GNP, if it does not cripple itself with factional infighting, could be in a strong position.

19. (C) If the GNP has the opportunity to exercise more control over the National Assembly, it is also true that the level of partisanship and polarization that has erupted in physical confrontations among lawmakers in the past year will also likely increase. Until recently, there were three negotiating blocs in the National Assembly: the GNP, the DP, and a Liberty Forward Party (LFP)/Renewal of Korea Party (ROKP) alliance. Negotiating blocs negotiate the National Assembly agenda and have representation on committees. The LFP/ROKP bloc dissolved on August 30 when an LFP Member resigned the party, leaving the bloc one Member short of the necessary 20 Members. The conservative LFP will likely support much of the center-right GNP's agenda, but, because of the bad blood between LFP chair Lee Hoi-chang and Chung Mong-joon leftover from Chung's role in Lee's failed 2002 bid

for the presidency as the GNP nominee, it is unlikely that the LFP would support a strategic alliance with the GNP. The result is that the GNP and the DP, without the benefit of a mediating bloc, will be left to negotiate the National Assembly agenda and manage committee business; the DP has pledged to be uncooperative.

¶10. (U) The 299 seats of the National Assembly are currently divided as follows:

168	- Grand National Party
84	- Democratic Party
17	- Liberty Forward Party
5	- Democratic Labor Party
5	- Pro-Park (Geun-hye) Alliance
3	- Renewal of Korea Party
2	- New Progressive Party
8	- Independents
7	- Vacant Seats

TOKOLA